

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT



| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|
| APPLICATION FOR PERMIT TO DRILL | | | | | | 1. WELL NAME and NUMBER State 28 13 | | | | |
| 2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> | | | | | | 3. FIELD OR WILDCAT WILDCAT | | | | |
| 4. TYPE OF WELL Oil Well Coalbed Methane Well: NO | | | | | | 5. UNIT or COMMUNITIZATION AGREEMENT NAME | | | | |
| 6. NAME OF OPERATOR KGH OPERATING COMPANY | | | | | | 7. OPERATOR PHONE 406 259-8480 | | | | |
| 8. ADDRESS OF OPERATOR PO BOX 2235, Billings , MT, 59103 | | | | | | 9. OPERATOR E-MAIL tom@tmhauptman.com | | | | |
| 10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) StML 52861 | | | 11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> | | | 12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> | | | | |
| 13. NAME OF SURFACE OWNER (if box 12 = 'fee') | | | | | | 14. SURFACE OWNER PHONE (if box 12 = 'fee') | | | | |
| 15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') | | | | | | 16. SURFACE OWNER E-MAIL (if box 12 = 'fee') | | | | |
| 17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') | | | 18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/> | | | 19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/> | | | | |

| 20. LOCATION OF WELL | FOOTAGES | QTR-QTR | SECTION | TOWNSHIP | RANGE | MERIDIAN |
|---------------------------------|------------------|---------|---------|----------|--------|----------|
| LOCATION AT SURFACE | 1036 FSL 971 FWL | SWSW | 28 | 9.0 S | 25.0 E | S |
| Top of Uppermost Producing Zone | 1036 FSL 971 FWL | SWSW | 28 | 9.0 S | 25.0 E | S |
| At Total Depth | 1036 FSL 971 FWL | SWSW | 28 | 9.0 S | 25.0 E | S |

| | | | | | |
|--------------------------------------|--|--|--|---|--|
| 21. COUNTY UINTAH | | 22. DISTANCE TO NEAREST LEASE LINE (Feet) 971 | | 23. NUMBER OF ACRES IN DRILLING UNIT 40 | |
| | | 25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 5130 | | 26. PROPOSED DEPTH MD: 7000 TVD: 7000 | |
| 27. ELEVATION - GROUND LEVEL 5638 | | 28. BOND NUMBER SLCMMSPO7336 | | 29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE White River 49-2382 | |

| Hole, Casing, and Cement Information | | | | | | | | | | |
|--------------------------------------|-----------|-------------|----------|--------|----------------|-------------|---------|-------|-------|--------|
| String | Hole Size | Casing Size | Length | Weight | Grade & Thread | Max Mud Wt. | Cement | Sacks | Yield | Weight |
| SURF | 12.25 | 9.625 | 0 - 1000 | 40.0 | N-80 LT&C | 9.5 | No Used | 0 | 0.0 | 0.0 |
| | | | | | | | Class G | 483 | 1.174 | 15.8 |
| Prod | 7.875 | 5.5 | 0 - 7000 | 15.5 | J-55 LT&C | 10.5 | Class G | 695 | 1.962 | 12.5 |
| | | | | | | | Class G | 185 | 1.35 | 14.0 |

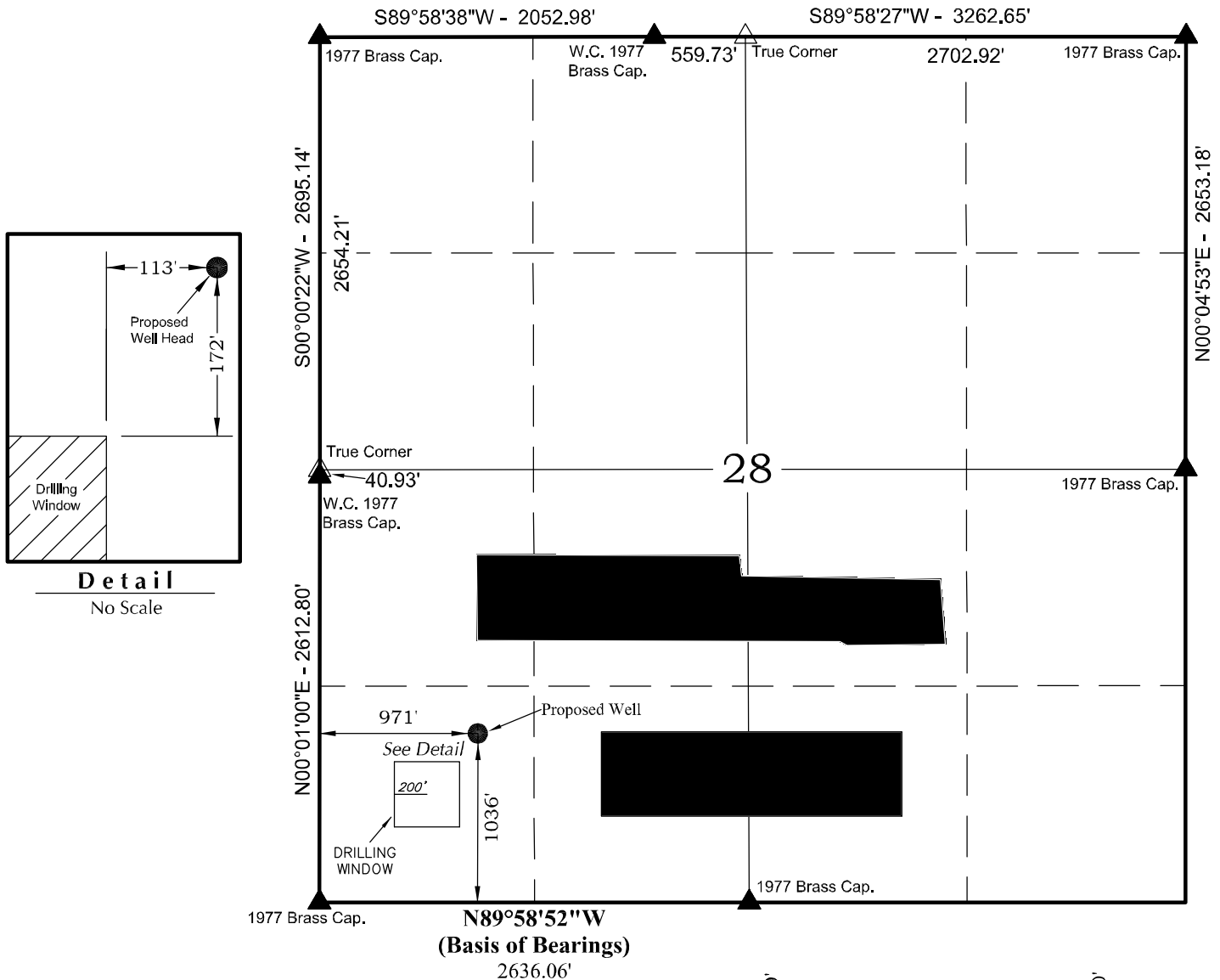
ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

| | |
|--|---|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE) | <input checked="" type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER |
| <input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED) | <input checked="" type="checkbox"/> TOPOGRAPHICAL MAP |

| | | |
|---------------------------------------|------------------------------------|--------------------------|
| NAME Thomas Hauptman | TITLE President | PHONE 406 259-8480 |
| SIGNATURE | DATE 11/20/2014 | EMAIL tom@tmhauptman.com |
| API NUMBER ASSIGNED 43047549840000 | APPROVAL Permit Manager | |

T9S, R25E, S.L.B.&M.



NOTES:

- ▲ = Section Corners Located
- △ = Section Corners Located Not Monumented
- 1. Well footages are measured at right angles to the Section Lines.
- 2. Bearings and distances shown on this plat are based upon a local Cartesian Grid which is oriented to Geodetic North at the SE Corner of Section 36, T9S, R25E, S.L.B.&M. the grid having a mean project height of 5,500'. Linear units used are U.S. Survey Foot. Trimble G.P.S. equipment was used in performance of this survey.
- 3. Latitude and Longitude are NAD 83 (2011) Epoch 2010. Elevations are NAVD 88. Both derived from the Utah Virtual Reference Station Control System (VRS).

KGH OPERATING COMPANY

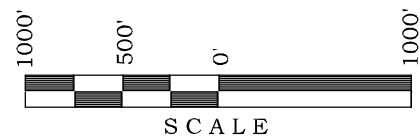
P.O. Box 2235, Billings, Montana 59101

WELL PLAT

STATE# 28-13

1036' FSL, 971' FWL

SW $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 28, T9S, R25E,
S.L.B.&M., UTAH COUNTY, UTAH.



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

JOHN R. SAUGH
PROFESSIONAL LAND SURVEYOR
LICENCE No. 6028691
STATE OF UTAH

TIMBERLINE

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

| | | |
|----------------------------|--------------------|--|
| DATE SURVEYED: 10-27-14 | SURVEYED BY: T.A. | SHEET NO: 1 OF 12 |
| DATE DRAWN: 10-28-14 | DRAWN BY: A.P. | |
| SCALE: 1" = 1000' | Date Last Revised: | |